



STETSON LAW

Over Award Policy PART A: Resolving an Overaward

Federal Regulation states that a student who has obtained Stafford Loan amounts that exceed annual or aggregate loan limits is ineligible for further Title IV assistance. If the institution determines that the student inadvertently borrowed amounts in excess of their loan limit(s), the institution must allow that student the opportunity to regain their Title IV eligibility.

The Office of Student Financial Planning (OSFP) will handle such situations on a case by case basis using the following guidelines:

1. **Reallocation.** If a student has a combination of both Unsubsidized Loans and Graduate PLUS Loans within an active aid year, OSFP will reallocate any overage of Unsubsidized Loan into a Graduate PLUS Loan in order to eliminate the excess borrowing of Unsubsidized Loans.
2. **Satisfactory Repayment Arrangements/Reaffirmation of Debt.** These arrangements are determined by the loan holder and may involve having the borrower sign a new promissory note acknowledging the debt and reaffirming the borrower's intention to repay the excess amount as part of the normal repayment process.
3. **Billing Student Account.** OSFP will bill the student account for the overage in order to regain student eligibility. Billing should be a last resort and must be completed in conjunction with the student's approval.
4. **Treatment of Consolidated Loans.** If a student has consolidated loans while they were in an excess borrowing condition OSFP will treat the consolidation as a "reasonable repayment arrangement" and allow the student to receive other Title IV aid eligibility. All loans in question must be listed under the consolidated loan and be in a consolidated status in NSLDS. When performing an aggregate review on individual loans that have been consolidated remember that capitalized interest does not count toward a student's aggregate limit.
5. **Borrower is no longer enrolled.** If a borrower is no longer enrolled OSFP will take no action to correct the excess borrowing condition. The student will be notified via email of their status.
6. **Student has no other Title IV Eligibility.** If a student is enrolled and has completed a FAFSA and records indicate they have borrowed their full aggregate Stafford Loan eligibility, the student is then ineligible for further Stafford loans. They will be offered

Graduate PLUS loans only.

7. **SLS (Supplemental Loan for Students)**. Though not available since July 1994, they may still be found as outstanding on some student records. These loans should be treated as unsubsidized Stafford Loans.
 8. **Treatment of Unallocated Amounts**. The Department of Education has determined that schools are no longer responsible for determining the source of unallocated amounts. Typically these amounts are due to capitalized interest which does not count towards a student's aggregate limit.
 9. **We cannot correct excess borrowing that occurred at another school**. Students should be referred to that school or to the servicer/holder of the loan(s) for resolution.
 10. **Discrepant Data**. NSLDS records with reoccurring discrepant information should contact holder/servicer of loan to resolve discrepancy.
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Over Award Policy PART B: Preventing an Over Award

- I. Prior to making a summer loan offer, a review of the borrowing history of each continuing summer aid applicant to prevent overawarding. A check of the student's RNASLxx record will indicate whether or not it is necessary to review the student's complete borrowing history in NSLDS.
- II. Prior to processing a student's request to increase his/her Stafford Loan, teams will review the student's RNASL and/or NSLDS record to determine remaining eligibility.
- III. After annual packaging begins for continuing students, a review of the students who appear on the **C Flag** report will be conducted to identify students whose current NSLDS balance, combined with their spring and/or summer loan, may put them over their aggregate limit.

If the student is close to his or her borrowing limit staff will post the LAGREV in 'X' status.

If excess borrowing exists OSFP will take the following steps:

- a) Adjust and/or cancel the current year's spring and/or summer loans to bring the student within federal limits.
- b) Adjust and/or cancel fall and/or spring loans if they will cause the student to exceed federal limits.

- c) If records include additional unsubsidized loans due to PLUS denials, staff will:
1. Review Banner and the NSLDS records to determine if there are any additional unsubsidized loans due to PLUS denials.
 2. Annotate RHACOMM "Student has record of \$_____ in additional unsubsidized loans due to PLUS denials; excluded from dependent calculation."
 3. Create or adjust manual RNASL record, as described in the 'Over Award Resolution' procedure.
- d) In RRAAREQ post the LAGREV with a status code of "S".

Administrative policy adopted September 2016.